

ORDINANCE NO. 024-6

AN ORDINANCE AUTHORIZING THE
TREASURER TO EXECUTE AN
ELECTRICITY CONTRACT

WHEREAS, The Chicago Transit Authority ("Authority") uses approximately four hundred eighty-three million (483,000,000) kilowatt-hours of electricity per year in the operation of trains ("traction power") and to power its electric buses and various facilities ("non-traction power"); and

WHEREAS, The Authority's annual expenditure for electricity is approximately Fifty Million Dollars (\$50,000,000.00); and

WHEREAS, As a result of deregulation, Commonwealth Edison customers have the option to purchase electricity from other electricity suppliers that have been certified by the Illinois Commerce Commission as Alternative Retail Electric Suppliers ("ARES"); and

WHEREAS, The Authority may obtain significant cost savings and increased budgeting accuracy by entering into an agreement with an ARES for its electricity requirements; and

WHEREAS, Staff intends to issue a Request for Proposals ("RFP") to identify a responsible electricity supplier that can fulfill the Authority's electricity needs in the first quarter of 2024; and

WHEREAS, Sealed proposals in response to the Authority's RFP are expected to be submitted in the first quarter of 2024; and

WHEREAS, Under industry practice, proposals submitted for electricity contracts are valid for very short time periods due to price fluctuations and changes in market conditions; and

WHEREAS, Volatility in the electricity market creates an imperative for Authority staff to act within hours of receipt of prices to enter into an electricity agreement that will serve the Authority's best interests; and

WHEREAS, In order for the Authority to enter into a contract under such volatile market conditions, it is necessary and desirable to obtain Chicago Transit Board approval, in advance, to authorize execution of an agreement; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

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SECTION 1. Based on the statements set forth in the preamble of this ordinance, the Treasurer of the Chicago Transit Authority, with the approval of the Chairman of the Chicago Transit Board or his designee, shall evaluate opportunities from those responses submitted pursuant to the RFP to enter into a contract for electricity for an initial term that does not exceed three (3) years, plus two (2) options to extend for one (1) year or one (1) option to extend for two (2) years, with a suitable supplier that best meets the Authority's electricity service and financial needs based on the price and other factors stated in the RFP.

SECTION 2. The Treasurer, or his designee, is hereby authorized, with the approval of the Chairman of the Board or his designee, to execute a fixed-price agreement, an index-price agreement, a load-following block pricing agreement, and/or volume block pricing agreements with the selected supplier.

SECTION 3. The Treasurer, or his designee, is further authorized to convert additional quantities of electrical energy from index-pricing to fixed pricing and to transfer additional metered accounts from Commonwealth Edison to the contract authorized by this ordinance throughout the remainder of the term of the agreement without additional Board approval.

SECTION 4. The Chairman and the Treasurer, or their designees, are further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

SECTION 5. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Secretary

January 18, 2024

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